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## Bridging service gaps: Is the road to service excellence paved with disasters?

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A young, pretty lady interacts cheerily with her customers in the advertisement. The copy suggests efficient, personable service with a smile. The website is pleasant and professional. But call in with a query and you might, instead, find yourself talking to a machine that reads FAQs.

There is a gap that lies between '*how-we-imagined-it*' and '*what-is*'; perhaps aggravated by marketing communications designed to romanticise how service ought to be. While marketing can certainly help to elevate (and up-sell) various brands of offerings, what happens when organisations fall short? More importantly, how might organisations close this perception-reality gap?

Service is instinctive and emotional. We know how to differentiate, quite naturally, good service from poor service at the point at which we experience it. Lest we forget, service providers also consume service, so they can definitely appreciate the consumers' points-of-view. So why does service persist as such a major challenge for most organisations when it is a universally understood notion?

Robert Johnston (<http://www.wbs.ac.uk/faculty/members/Bob/Johnston>), academic speaker at the recent announcement of Customer Satisfaction Index of Singapore (CSISG) 2009 rankings (<http://www.smu.edu.sg/centres/ises/events/csigs/2010/index.asp>), has this response: Perhaps our natural ability to take the customer viewpoint disables temporarily when we punch in at work – the part of the brain that allows us to see things from the customer's perspective disappears.

Johnston, who is Deputy Dean at Warwick Business School, University of Warwick, explained that this paradox is due to dissimilar points of view and interests. When wearing the customer 'hat', we look at the organisation "outside-in"; when in the employee 'hat' we look "inside-out". So the only way for service organisations to close the gap, according to him, is to look and think "outside-in".



### So simple, yet so difficult

Having conducted service and operations research all over the world, Johnston found that great service organisations share a common trait, which, as he puts it, is "a total lack of complacency – not only were senior managers often self-deprecating, they were also always saying that they're not so good and that they've got a lot to learn." In contrast, the next tier of service organisations would think they are very good, but they are not.

Good service is simple and straightforward – more so than we make of it. Following a study which involved 160 focus groups, Johnston realised that most customers did not care for service that "exceeded expectations" or the proverbial "extra mile". They simply wanted what they have been promised. For organisations, this means "doing

what it said it would do, reliably, consistently". The catch, however, is that most service personnel, and indeed many organisations, do not seem to know what their 'promise' to the customer entails.

Johnston recounted an interview where he spoke with four service managers at a Singapore-based organisation. All four were tasked to write down what it was that they were promising to customers – things that they must fulfil on behalf of the organisation. As he had expected, while the managers knew their jobs, they all had somewhat different descriptions of their promise. "If we are not clear what it is we are delivering, how on earth can we expect our customers to know – and further, how can we ever hope to deliver our promise?" he asked.

Another major issue that Johnston had identified was the ongoing tensions between the front-end and back-end of organisations. While people on the front lines may try their best to please the customer, they are often held back by the organisation's back-end; systems, policies, procedures, human resources, lack of training, technology... what he terms as "management stuff". Such tensions are exacerbated by organisational short-sightedness.

Over the past year, for instance, when most of the world experienced financial gloom and business leaders set out to cut costs, most organisations opted to slash budgets in percentage terms. While viewing budget cuts in percentages may work suitably for the financial controllers, the converse may be true for other organisational functions. "If you want to cut costs by 10 percent, you take 10% off everything and guess what – everything gets 10% worse," Johnston noted. "The bright minds are the ones who realise that service is the answer."

The best way to trim costs, he said, is to examine how to make processes and systems simpler and cheaper – to reduce waste and to improve efficiencies. The result is cost savings and better service, as opposed to a fixed percentage or number in cuts that may hold no meaning to anyone except for those who study those numbers.

But of course, Johnston recognises that all of this sounds a lot simpler in theory. In practice, most managers would be more concerned about doing only what is necessary for the "quick wins". To put any sort of organisational change into motion, managers need to at least adopt a medium term version, he said. If short term performance outcomes are all that matter, those very tensions will not likely go away.

### **Means to an end**

Things can go wrong sometimes, and when they do, Johnston believes that customers will tend to be more understanding than unreasonable. From long queues at supermarket check-out counters to flight delays – these problems do not, in and of themselves, push customers off the edge. What annoys them most is the failure to address such problems as they occur.

"Say, for example, a flight cancellation, where a plane is just not coming. I suffered one of those a while ago. Initially, people were annoyed. There was no information; nothing!" Johnston recounted. People were very upset and irritated because they did not understand what was happening, and so they blamed the airline. However, when they found out that it was a typhoon that was holding up the flight, they became a lot more accepting.

In one of Johnston's studies that recorded descriptions of excellent service, he found that 53 % of the respondents recounted instances where problems were handled well; through good, proficient 'service recovery'. This, he said, illustrates the recovery paradox; handling problems well can lead to perceptions of excellent service.

Yet, in a separate study, more than 94% of organisations were found to have less than "high quality" recovery management systems in place. A large majority of them would thus be ill-equipped and unprepared to tackle problems systematically.

In assessing an organisation's readiness to excel at service, it is also important to examine the cultural mindsets that can shape an organisation's service output. Here, Johnston suggests an 'acid test', where organisations might ask their staff how comfortable or happy they are to deal with customer complaints. "This is a critical business area, and so (it's crucial) for the staff to feel proud and delighted in what they are doing," he said.

'Stressful', 'painful', 'upsetting' and 'difficult' were some of the responses given when the 'acid test' was administered on 20 Singapore-based service employees. "They were not exactly sure how to deal with problems, they felt they lacked good quality training, and importantly, they felt unable to influence the rest of the organisation to change anything to make things better for customers in the future," Johnston expounded. Given such conditions, is it such a surprise that they see their jobs as being unpleasant?

To address this, it is important for CEOs and COOs to first recognise the business criticality of recovery systems – that it can influence greatly the organisation's reputation and future business potential. Next, they should get involved in the process. After all, service excellence does not rest on the competencies of front-line managers or marketing messages that proclaim all is well and good. Great service relies on the organisation as a whole – and this is where a top-to-bottom appreciation of all that is 'stressful', 'painful', 'upsetting' and 'difficult' can be helpful.

### **Does it take a disaster?**

It can sometimes seem as if top-level managers will only step-in when customer complaints snowball into huge public

relations disasters. This, to Johnston, reflects on the organisation's capacity to listen – to employees and customers – and to process feedback.

Every single piece of feedback received might be useful or valuable, as they can identify what the organisation needs to do – strategically, he noted. "When they listen, they can realise opportunities." But what separates the good companies from the bad is the way in which they translate feedback to actual change.

Good companies channel the information collected – both good and bad – into changes and improvements. Poor organisations do not. "As a result, good organisations will know what to do more of, as well as what to stop doing. The poor organisations know what to stop doing and they spend most of their time beating their people up to stop them from doing those things," he said.

The incapacity to listen and change can also give rise to more issues, especially if customers and employees register their frustrations within external channels. "If customers know that the organisation listens and does things to improve, they will talk to the organisation. If they think that the organisation doesn't listen and doesn't do anything about their feedback, they will tell their friends, and they will also vent on websites," he said. People are quite happy to 'spill the dirt' with third parties when no 'authorised' communication channels are effectively available.


Organisations should also ask themselves: what is the good of feedback if it is not taken seriously? Many organisations today invest efforts in collecting feedback, analysing the data and then generating reports and measurements – the 'marketing research' bits. However, not enough efforts are put into organisational change. To this end, Johnston believes that organisations need to give more focus to the 'operations' aspect of managing service.




"Service isn't about loyalty; it isn't about satisfaction; it isn't about measurements," he emphasised. "It's about delivery... If you don't deliver, there's no satisfaction." And excellence is not attained with nice brand imageries, smiles around the reception counters, friendly phone-in customer service officers or special perks. All those things can certainly enhance the experience, but they are not helpful when, in the first place, organisations fail to deliver the promise or work with feedback and problems.

So he concluded: "You don't need to treat us nicely or give us extra, but you do need to deliver the promise and sort it out when it occasionally goes wrong". Only then can organisations close the gap.

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